DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

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June 16, 1953

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To: ARA - Mr. Cabot

There is attached an intelligence estimate (Special Paper #21) "Effect upon Guatemala of Arms Procurement by El Salvador, Honduras, and Nicaragua," prepared in response to your request of May 1, 1953. In agreement with ARA, DSA did not coordinate this estimate formally with CIA. However, the estimate was discussed at the draft stage with representatives of CIA's Office of National Intelligence and its covert offices, and their suggestions and comments were taken into consideration in the preparation of the final paper.

W. Park Armstrong, Jr.

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Division of Research for Latin America
Special Paper No. 21
June 12, 1953

EFFECT UPON GUATEMALA OF ARMS PROCUREMENT BY EL SALVADOR, HONDURAS, AND NICARAGUA

To determine insofar as this can be done on the basis of available data, the effect of overt procurement of arms from the US by El Salvador, Honduras, and Nicaragua upon the Guatemalan military, political leaders and public opinion.

CONCLUSIONS

1. Assuming that the external political and military capabilities of El Salvador, Honduras, and Nicaragua are markedly increased through an effectively initiated and sustained program of military assistance, it is likely (1) that the opposition to Arbenz will become more critical and militant; (2) that important Army and political leaders now supporting Arbenz will, if they are assured of a place in some alternative regime, calculate that the present regime does not serve the best interests of either the nation or themselves.

However, US policy in this instance may well, depending on the manner of its implementation, be widely interpreted in Latin America as being aimed against Guatemala -- an interpretation which will be fully exploited by anti-US elements. Governments already subject to strong nationalistic pressures may find it more difficult to support the

United States. Under this condition, nationalist sentiment and an awareness of considerable hemisphere support among Guatemalan civilian and military elements may enable Arbenz to prolong the life and present course of his government.

DISCUSSION

2. The Army is the key to the stability of the Arbenz regime and could effect a rapid and decisive change in the Guatemalan political situation if it were to take concerted action. Although a quick change of attitude is always possible, there is no present reason to doubt the continued loyalty of the Army high command and of most of the Army officer corps to Arbenz. The Army would be unlikely to take revolutionary action unless the high command or a substantial body of unit commanders became convinced that their personal security and well-being were threatened.

3. An agreement for overt procurement of a substantial volume of arms from the United States by El Salvador, Honduras, and Nicaragua, especially if arrived at in confidence and if followed by rapid and sustained implementation, probably would seriously affect the Guatemalan Army. It would cause concern among the high command and would stimulate conspiratorial activity or the part of small, already disaffected army elements.

4. Although the concern of the Guatemalan Army leaders probably will involve initial resentment against the United States and a

preference to go along with Arbenz, the military are eventually likely to recognize that military aid to neighboring countries is an expression of US determination to eliminate Communist leadership and influence in Guatemala. In this circumstance -- and barring effective external sympathy and support -- the Army high command is likely to calculate in terms of increased disaffection among lower echelon officer personnel, emboldened action by elements of the political opposition, an increase in the number of revolutionary attempts against the government, the loss of military position and political leadership in Central America, and new defensive requirements along Guatemala's borders.

5. It is probable that these calculations would ultimately cause at least a split among top Army leaders, some of whom would be willing to attempt deals with overt and covert oppositionist elements. Groups with which some present Army leaders could negotiate successfully include elements of the urban opposition who, although anti-Communistic, are also strongly nationalistic and who would favor continuance of many aspects of the revolutionary program. Without the support of the major part of the Army, the Arbenz government could not be expected to survive.

6. Arbenz does not at present have a good position in which to maneuver. Under the pressure here envisaged, he is not likely to alter his present course but would appeal to the people in patriotic terms while taking strong measures to control the opposition.

7. Arbenz probably could rally considerable initial support at home, not only among Communist-led labor and the radical fringe of professional and intellectual groups, but also among many anti-Communist nationalists in urban areas, especially Guatemala City. Under circumstances of continued internal tension and national isolation, however, blind emotion will tend to give way to a critical estimate of Arbenz' policies and their consequences. Particularly if the Army's loyalty to Arbenz falters, it is likely that substantial groups among the present opposition will be emboldened to take action and that the many political opportunists around Arbenz will seek deals with prospective new leadership.

8. The Communists will strongly support Arbenz as long as he controls the situation and will be able to make considerable local and international capital of the "imperialist attack" upon Guatemala. At the outset, their position in government and labor is likely to be strengthened and they will be able to use labor for effective mass demonstration purposes. The Communists have little power of their own, however, and if the military and larger political support around Arbenz weakens, the Communists will become progressively isolated and their leadership impotent. In time of crisis labor's capacity for effective unified support of Arbenz, if deprived of its present leadership, would be very limited.

9. The course of developments estimated in 3 through 8 are contingent, to a considerable extent, upon the degree of success the United States may have in countering or neutralizing unfavorable Latin American reaction to the supplying of arms to Guatemala's neighbors. Most governments will seek initially, at least, to remain aloof from the problem. A considerable segment of public opinion in the area, however, is likely to be sharply critical of the United States. This would probably be most intense in Mexico, but would also appear in traditionally friendly nations, such as Brazil and Uruguay. Latin American governments, therefore, will be under increasing popular pressure to give expression to this feeling. Some governments, like the Dominican Republic, Venezuela, Colombia, and Peru are likely to resist anti-US sentiment and may even openly support US action. Others, like Bolivia and Costa Rica (especially if Figueres wins the July presidential election), may be quick to indicate official disapproval. Certainly Argentina will take advantage of the situation propagandawise in an attempt to strengthen its ambition for Latin American leadership.

10. Under present circumstances, the procurement of arms in substantial volume from the United States by El Salvador, Honduras, and Nicaragua will increase the possibility of military attack by those countries on Guatemala. Such an attack would enable Guatemala to put a case before the OAS.

11. Such external possibilities unless successfully countered, may provide sufficient psychological support and diplomatic assistance to prolong the life of the Arbenz government. The effectiveness of the Government-Communist propaganda will be greatly increased; for many elements of the opposition the anti-Communist issue and other opposition grievances may well be subordinated to a sustained, intense national feeling; these developments may encourage and stimulate the Army to continue its support of the government.

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SECRET - Security Information

TO : ARA - Mr. Cabot
Mr. Woodward (By hand, please)

DATE: June 18, 1953

FROM : ARA - Miss Keany

714.00/6-1653 Lee File

SUBJECT: Attached Special Paper on "Effect upon Guatemala of Arms Procurement by El Salvador, Honduras, and Nicaragua."

At Mr. Mann's suggestion, a request was sent on May 1, 1953, to R-Mr. Armstrong for a special, "flash" study on the above topic. The attached paper was prepared in response by OIR:DRA in consultation with representatives of both divisions of CIA.

The paper does not presume to give a final judgment as to the advisability of the action under consideration, but it does reach significant conclusions on some of the key factors involved, and to that extent is a helpful contribution.

A copy of the memorandum of request is also attached for your interest, since it gives the specific questions on which the paper was based.

Copies are being sent to MID and AR.

Attachments:
As stated

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ARA:KKeany/cd

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